

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2430 - SB 2315

April 26, 2022

SUMMARY OF BILL AS AMENDED (017772): Prohibits a county local education agency (LEA) from operating a school located within the geographic boundaries of a municipal LEA without a written agreement between the two LEAs beginning July 1, 2023. Establishes certain requirements for municipal school systems and county LEAs which operate within the same geographic boundaries. Requires the transfer and reimbursement of real property and fixtures between a county and municipal LEA under certain conditions.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed legislation may result in a shift of enrollment between municipal school systems and LEAs or between two LEAs beginning in FY23-24.
- Any enrollment shift will impact the local school systems' average daily membership (ADM) and Basic Education Program (BEP) funding.
- While funding received by each individual school system may change, the total amount of BEP funding will remain the same; therefore, any impact to state expenditures is considered not significant.
- Requiring the transfer of titles to all real property and fixtures in outlined circumstances will impact assets and expenditures of affected municipalities and counties. However, any net impact on local government will be not significant.
- The net fiscal impact to local government statewide is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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